

Senate Budget Presentation
April 27, 2004
Remarks of Chief Justice Maura D. Corrigan

Good afternoon, Mr. Chairman and members of the committee. I appreciate the opportunity to speak with you about the judicial branch budget request for FY 2005 today. With me is Chief Judge Bill Whitbeck of the Court of Appeals, who will be speaking to you in a few minutes. I know the members of our staff are familiar to you, so I will dispense with introductions. They are here to help me answer any questions you may have after I make my remarks. I also thank the committee for the many courtesies you have extended to me and our staff over the years. This year marks the seventh time I have participated in a budget submission. I trust that we will enjoy the same cooperation and trust this year that we have in the past.

While our budget is a small one for state government, less than 1% of the gross state budget, our responsibilities in this branch are tremendous. And although we are a small part of the state budget, we are keenly aware of our responsibility to find revenue sources, as well as cut costs. Our collaboration in earlier years has yielded benefits to our state; I hope this can continue.

Our branch of government has worked very hard, over the years – not only to cut costs and do with less, but to see where we might help the state identify sources of revenue. I'd like to share with you a few examples of what we have done to be good stewards of the taxpayers' money.

We've certainly done some belt-tightening over the years. At the beginning of 2001, there were 529 employees on the judiciary payroll. As of last

week's pay date, there were 451 employees, 78 less than in 2001. This represents a decrease of almost 15 percent, achieved through attrition, layoffs, and not replacing early retirees. We would like to fill a limited number of positions, but we've held off on doing so because we faced higher costs for such items as health care and state retirement charges, and because we wanted to avoid further layoffs which would affect public services. In FY 2004, our judicial branch employees did not receive the cost of living increase that most executive branch employees received.

It is therefore very heartening that the governor has recommended a net \$1.9 million operations increase for the judiciary for FY 2005, an increase that will, I hope, not only allow us to cover rising costs but enable us to provide some kind of pay adjustment for judiciary employees.

Realizing that fiscal health is not just a matter of cutting costs, but finding revenue, I would like to touch on some of our efforts in that regard, and also on what we plan to do going forward.

As you know, as part of the FY 2004 budget, we advocated increases in some civil filing fees, and assessments and costs in criminal cases. So far we've been able to analyze five months worth of revenue data which reflects these changes, and at this time it looks like the justice system fund is coming in at close to the amount that we had projected while the civil filing fee fund is running a little bit below our projections. So we're about where we thought we would be. Most of the additional revenue was used to replace general fund in our budget

and some of the money also goes to technological improvements for the judicial branch and to maintain drug court funding, both of which I will touch on later.

While I'm on the subject of fee increases, let me say how grateful we are for the cooperation we've received from the governor's office and the Department of Management and Budget, as well as our friends on the appropriations committees. You should know that our successful, cooperative budget approach has attracted national attention. In fact, I was invited to submit an article on budgeting to the *Judges' Journal*, a national publication, for its summer 2004 issue. We can all be proud of the way three branches of government are working together through hard times.

Currently, the judicial branch receives about a third of its funding from fees and the remaining two-thirds from the general fund. Obviously, to the extent we're dependent on general fund dollars, we are stuck with fluctuations in budget cycles as general fund dollars rise or fall with annual tax revenues. So, as a veteran of seven budgets, I would like to decrease the judicial branch's dependence on general fund dollars, as in Oklahoma, where the state district courts are largely funded by court fees and collections. I believe we ought to move Michigan's courts in the same direction of decreasing dependence on the general fund. In fact, Oklahoma's chief justice was kind enough to share with me their "cookbook" for this plan, and we are currently exploring the possibilities it offers for Michigan.

I want to highlight another important contribution we've made on the revenue side. The statewide conversion to the Michigan Child Support

Enforcement System was attended by many difficulties; the focus is and must be on making MICSES more responsive to the needs of those who use it. But, as you know, Michigan completed the transition to MICSES by the October 1 deadline last year. Because the system has been certified by federal authorities after 19 years of trying, Michigan not only avoided \$147 million in federal penalties, but recouped \$35 million in penalties already paid. This figure is already folded into the FY 2004 budget. You all know the role that the judicial branch played in meeting the federal deadline and averting penalties. And in recognition of that role, \$6 million was earmarked for the judicial technology improvement fund. Part of the money will go towards continuing to bring all our state courts into the 21st century. Three years ago, 21 of our 241 trial courts were operating pretty much as they had back in the days of rolltop desks and horse-drawn carriages: No computer system, no databases, no electronic records. At the opposite end of the spectrum, we had state courts with very sophisticated computer systems. The problem was that none of those systems could talk to each other. Through the judicial technology improvement fund, we are not only getting computer systems set up in every court in the state, but we are going to make sure that they are connected, via a statewide telecommunications structure, to law enforcement and other agencies as well as to each other. As of this month, hardware installation is complete in all courts in 47 counties. In an additional 27 counties, hardware installation has been completed in the circuit and probate courts. Of those 74 counties, 54 are now connected to the state's local government network, or LG net, and courts in these counties transmit

criminal history records to the state police criminal information justice center, allowing for immediate updates of records. All the remaining courts are scheduled to have hardware installed, and to be connected to LG net, by the end of this year. So the day is not far off when courts across Michigan can share their criminal case databases in real time with the state police, local police, secretary of state, and federal authorities, with corresponding benefits for law enforcement. Also in the works is a statewide data warehouse of court information, so that we can join the currently 41 separate case management systems used by our courts. That project is scheduled to include 21 counties by the end of FY 2005. I would like to touch briefly on two other JTIF projects, one of which was implemented in a pilot court two months ago, and that is electronic payment of traffic tickets. I'm sure no one in this room will need to take advantage of this service, but you may be interested to know that it will be possible to pay tickets in multiple courts with a single credit card transaction. We expect to add 20 more courts to this project in the remainder of FY 2004 and in FY 2005. The other project is electronic filing. We have completed our analysis and design and look to implement general civil cases in one general jurisdiction court and Michigan public service commission matters for the Court of Appeals by November. SCAO is also working with courts that are interested in participating as pilot courts. We're very excited about this project, because ultimately it means, not just greater convenience for litigants, but more and better information for the public. Checking case filings, for example, will be a matter of clicking on entries in an on-

line docket statement. Court forms will be provided, filled out, and submitted online.

Improving collections has been and continues to be a top priority. I mentioned earlier the fee increases that went into effect as part of our FY 2004 budget. The job is not complete, however, if we are not effective in collecting the money. Some judges have told me bluntly that they don't feel that collections is part of their job. I couldn't disagree more. Apart from the practical need to improve collections, I think we send the wrong message if we are not vigilant about enforcing court-imposed fines and costs, and that wrong message is one of disregard and lack of respect for the court and its orders. We don't want to encourage potential scofflaws by letting them escape the consequences of their behavior.

To that end, we have hired a trial court collections specialist. This position represents a first for SCAO: a full-time employee dedicated to helping courts increase collections. (1 person)

In addition, through SCAO, the court continues to promote best practices and guidelines for improving collections. It's a multi-pronged effort that includes training for judges and staff, technical assistance, software enhancements and audits. In addition, SCAO is in the process of putting together a group of state judges and court administrators, those with a track record of success in collections, to come up with local and regional plans for improving court collections. It is my hope that this blue-ribbon group will help move our judicial

branch in the direction of being less dependent on general fund dollars by increasing court revenues.

Finally, you will see from our budget proposal that we plan to continue funding of the state's drug court program at the same level as FY 2004. You will recall that drug court funding increased significantly from 2003, but i think that increase was well merited. In February, I spoke at the Fifth Annual Conference of Michigan Drug Court Professionals, and my theme was the integration of drug courts and other problem-solving courts into the mainstream of our justice system. Michigan has historically been a leader in the drug court movement, thanks in large part to the vision of Judge Bill Schma of Kalamazoo. We currently have 36 drug courts operating in Michigan, with another 27 in the planning stages. I serve as co-chair of the problem-solving courts committee of the conference of chief justices, and i think you would be very pleased, and perhaps surprised, to learn just how effective drug courts have become. According to the National Drug Court Institute, \$10 is saved for every dollar spent on drug court. And according to the National Association of Drug Court Professionals, the cost of incarcerating one prisoner ranges from \$20,000 to \$50,000 per year, while drug court typically costs between \$2,500 to \$4,000 per offender. NADCP also reports that the recidivism rate for drug court graduates ranges from 4 to 29 percent. Compare that to the typical recidivism rates of 60 to 80 percent for those who do not participate. Drug courts not only save taxpayer dollars – and free up space in overcrowded prisons for violent offenders – but they return incalculable benefits to society in the form of productive, stable human beings. I think it's clear

that our drug court funding is money well spent. Moreover, drug courts, and problem-solving courts in general, have proven to be much more than a novelty. The time has come, as I told your colleagues in the House, to think about how to incorporate these courts into the mainstream – and perhaps transform the justice system in the process. And I thank you, Senator Cropsey, for taking us one step further toward that goal by your support of senate bills 998 through 1000, the drug court legislation that passed the senate last month.

I will be glad to take any questions you may have for me. Thank you again for this opportunity to address you.
